

enterprise. Today Laura and I are honored to welcome you and the First Lady to an America that is proud to call Poland a friend, an ally, and a partner.

Thank you for coming, and welcome.

NOTE: The President spoke at 9:10 a.m. on the South Lawn at the White House, where

President Kwasniewski was accorded a formal welcome with full military honors. In his remarks, President Bush referred to Jolanta Kwasniewska, wife of President Kwasniewski. The transcript released by the Office of the Press Secretary also included the remarks of President Kwasniewski.

The President's News Conference With President Aleksander Kwasniewski of Poland July 17, 2002

President Bush. It's an honor to welcome my friend the President of Poland to the White House. Mr. President, welcome.

President Kwasniewski. Thank you very much.

President Bush. Poland is a close friend and a good ally and an influential nation in the center of Europe. Poland has influence across Europe. America and Poland see the world in similar terms. We both understand the importance of defeating the forces of global terror, and America appreciates all that Poland is contributing to this great struggle.

Our nations also understand the importance of building a better world beyond terror, one where prosperity replaces poverty and democracy and tolerance replace dictatorship and hatred. Poland and the United States are part of the great alliance of liberty, and we're working to spread the hope of freedom and prosperity across the globe.

We had good talks this morning, and I want to highlight two initiatives we agreed on. First, we agreed to expand cooperation between our militaries. Both Poland and the United States are seeking to transform our Armed Forces and develop new capabilities. We need to meet the new threats such as terrorism and weapons of mass destruction. By sharing ideas and expertise, our militaries can help each other reach

out—reach our transformation goals faster and improve our ability to work together. We hope this initiative will be a model for similar efforts with other NATO Allies.

Second, our Governments agree to cooperate more closely to expand our economic ties. The Polish-American trade and investment relationship is important to both countries, and it's particularly important to creating jobs and high-tech growth opportunities in Poland. We will work to resolve some company-specific issues and also improve Poland's investment climate.

These two initiatives will help build our strong working relationship.

Tomorrow the President and I look forward to traveling to Troy, Michigan. I believe you have to go beyond Washington to truly capture the energy and diversity of our country. Mr. President, I think you'll like the trip. Troy is just one of countless communities across our Nation that has been enormously enriched by the contributions and values of Polish Americans. It will be a great honor for me to travel to such a community with the President of a free and independent Poland.

Mr. President.

President Kwasniewski. Thank you very much. Ladies and gentlemen, Mr. President, let me once again emphasize how pleased I am to stand here on the hospitable land, the country that is so close

to the Polish people, where millions of people live here of Polish extraction. I'm coming as a President of the Republic of Poland to the United States from the country which may set an example of success for others. And we know that this success is due to the support of our American friends.

Today I am here as the President of democratic, developing Poland, Poland that is important in its region and whose voice is very significant, both in Europe and worldwide. I am here as President of the country which enjoys strategic partnership with the United States and friendship which is hundreds of years long and well tested, as well as enjoys perspectives that we have discussed with President George Walker Bush for a long time today.

During our conversations, we have discussed combating terrorism that has to be brought to the final end. And Poland has been contributing to this particular combat. And we're sure that under the leadership of the United States, we could eliminate this particular threat from the world of the 21st century, so that we could build a future on the basis of the dialog, the protection of human rights, and mutual tolerance.

Poland, with its soldiers in Afghanistan, is present in NATO, and Poland is active in exchange of information of intelligence and special units. We are ready to develop our cooperation along these lines.

We have spoken about NATO. Poland is one of the new members, and we are convinced that the new summit in Prague will be the day on which new countries will be invited to become members of NATO who have met the requirements. Lithuania, Estonia, Latvia, our friends from Slovakia, and our close partners from Bulgaria and Romania and Slovenia will be welcomed there. We want a strong NATO. We want NATO to be ready to ensure security in Europe as well as in the Euro-Atlantic theater and a NATO that is going to be ready to respond to threats where the basic values of life and ethnic cleansing or acts of terror are taking place.

I've presented to President George Walker Bush an initiative that I had presented a few days ago in Riga, to develop cooperation with countries which are in NATO, which will be in NATO, and with those ones which are going to be outside of NATO—I'm thinking here of the Balkan states. And I rejoice in the fact that the initiative of cooperation has been accepted as interesting by the United States, and as deserving further development.

We have also spoken of Europe, and Poland wants to become a member state of the European Union. And we are sure that at the beginning of 2004 we are going to become a member state, and we think that our future should be built with very close cooperation with the United States and Europe. And we want Poland to contribute, with its potential to global security and to building peace and mutual trust.

On bilateral issues, we have emphasized that we're closing a particular chapter of transformations that have been taking place in Poland and in countries of Central and Eastern Europe. Today, we can say that our partnership has matured, that we're opening a new chapter where we're going to be treated mutually as fully fledged partners ready to take actions, both current actions as well as those that are going to take place in the future.

I am convinced that the United States may draw on the experiences that Poland has gained in its transformation. We are ready to share these transformation experiences with other countries. I am also convinced that we're going to serve very well the military cooperation, especially in the areas of training, equipment, and the cooperation of special units with the particular military forces. And transformation is Poland's specific experience, as I want to emphasize again.

I would also like to say that it's very significant that we have been creating a very positive climate for European investments. Americans have so far made an investment of \$8 billion U.S., and we want

the climate for further investments to be very good. We would hope that new American companies will be opening their new headquarters in Poland, making it possible for them to operate vis-a-vis other states of the region.

Let me also emphasize that since the very first moment in Washington, DC, we have been feeling the atmosphere of extreme wishfulness, kindness, and hospitable that I wish to extend my words of gratitude now in this context to President Bush and Mrs. Laura Bush. We're not only guests here, as we feel, but we're also friends that are coming from Poland for a visit to the United States.

I'm convinced, too, that this visit will encourage further contacts and to develop enough contacts at all levels concerning not only politicians and elites but also citizens of the two countries, nongovernmental organizations and various institutions, social institutions. We want very much the Polish-American relations to get the new momentum. And free of the challenges that we have had in the recent decades, they could become the greatest contribution to the world, to Europe, and to Poland and the United States.

And thank you for your attention.

President Bush. We'll answer some questions. We'll alternate between the American press and the Polish press, three apiece.

Corporate Responsibility/National Economy

Q. Mr. President, even while you're calling for transparency in corporate America, you refuse to ask the SEC to turn over documents from its investigation into Harken Energy Corporation, your old company. And the Vice President has answered few questions about his role at Halliburton, his old company, which is now under investigation by the SEC. Why not just clear the air, ask the SEC to release those documents, and ask the Vice President to talk about Halliburton in a public forum?

President Bush. Well, first, the Vice President—I've got great confidence in the Vice President, doing a heck of a good job. When I picked him, I knew he was a fine business leader and a fine, experienced man. And he's doing a great job. That matter will take—run its course, the Halliburton investigation, and the facts will come out at some point in time.

Secondly, as to a look at Harken, the SEC, as a result of Freedom of Information requests, has released documents, and the key document said there is no case. It was fully investigated by career investigators. Some of you, I think, have talked to the head career investigator, and he's made it clear there was no case.

The key thing for the American people is to realize that the fundamentals for economic vitality and growth are there, low interest rates, good monetary policy, productivity increases, economic vitality, and growth in the first quarter and that, as Chairman Greenspan said yesterday, that we've got to change from a culture of greed to a culture of responsibility. And I believe that's going to happen.

Congress is working on some legislation. I hope they get it to my desk before they go home. I think it's important to send a signal to the American people that reforms have been enacted, laws will be upheld. But as I said the other day in Alabama, I've got—I'm an optimist about the future of this economy. I think that the ingredients for growth are in place, and that's important to our friends from Poland because, as he mentioned, we invest and we trade and the stronger our economy is, the more likely it is we'll have investment and trade together.

President Kwasniewski. Now it's time for Polish journalists. I invite—Polish TV.

Poland's Role in the War on Terrorism

Q. Polish public television, TVP. The question to both of you. Regarding the future of the anti-terrorist coalition and possible next phase of the war against terrorism, do you expect an increase of Poland's involvement? And do you think that Poland is ready to meet the expectations?

President Bush. Well, first, I've been very impressed by Poland's troops. And we've got confidence in the Polish military. And we want to continue to train together. Particularly, our special forces need to work together, because the ability to succeed in the war—the new war of the 21st century means that we have to move quickly and move in a way that is effective and sometimes lethal.

It's interesting you said the "next phase of the war against terror." Almost every day is a new phase, in some ways, because we're reminding different countries which may be susceptible to Al Qaida that you're either with us or against us. And so we're constantly working on bolstering confidence amongst some nations which may sometimes forget that either you're with us or you're with the terrorists. That's kind of a—that's a phase, I guess you could say. Phase one was Afghanistan. Phase two is to make sure that other countries don't become places for training or places where the Al Qaida think they can hide.

And we spent a lot of time on that here. I talked to Aleksander a lot about that today. The Polish Government has been very strong about working with us. The other—I also told him, of course, that we'd stay in close consultation, and we will.

President Kwasniewski. I would just constrain myself to say that we have been part of the coalition from the very beginning, to the potential that reflects Poland's possibility and capability, such as our station in Bagram, and there is a Polish logistics unit, and they're right there. Our intelligence forces have been cooperating very closely, and we know that the commitment on the

part of the Republic of Poland will be growing with the needs that are going to be growing.

We have discussed with President George Walker Bush on how to modernize the Polish Armed Forces so that they could meet the challenges of the war against terrorism. And then Secretary Rumsfeld and Minister Szmajdzinski talked about talks, and they will be continued. And we hope that the effect will be that the Polish Armed Forces will be transformed in such a way so that, as a very serious and mature partner, they would be able to respond in unison with other armed forces.

Poland is a member of the anti-terrorist coalition and has been very closely cooperating with the United States. And we want to reconfirm our readiness to continue this combat.

Reform of the Palestinian Authority/Vice President Cheney

Q. Mr. President, do you agree with your Secretary of State's willingness to consider working with a Palestinian Government that has Yasser Arafat as a figurehead leader, despite your call in June for a new and different leadership? And if I may follow up on Ron's [Ron Fournier, Associated Press] question—

President Bush. You get one question. [Laughter]

Q. If I could follow on Ron's, are you confident the SEC will find that Vice President Cheney did nothing wrong while at Halliburton?

President Kwasniewski. His question was—

President Bush. It happens worldwide.

Yes, I am, to answer your second question.

And first, I am confident as well that we need to put institutions in place so that a peaceful Palestinian state can emerge. And that ought to be the primary focus. The reform of the Palestinian state is a crucial element to achieving the confidence necessary amongst all parties so that we

can eventually achieve the vision of two states living side by side in peace. That's really important.

The issue is much bigger than a person, as far as I'm concerned. I made it clear, I thought. The person you mentioned, Mr. Arafat, has failed to deliver. I still feel that way. And I know the Palestinian people will be better served by new leadership.

And so we are—but my focus of my administration is to work with leaders from around the world, some of whom were in New York yesterday, to work to make sure there's a new constitution which divides power, so that one person doesn't get to decide the fate of a group of people who have suffered mightily; that there are security arrangements in place, so that they serve to make the area more secure, as opposed to security forces all existing—all of which exist to keep a person in power; reforms of financial institutions to make sure there's full transparency, to make sure that the money that we spend on humanitarian aid ends up helping Palestinian people, not a few leaders.

Those institutional changes, Randy [Randy Mikkelsen, Reuters], are essential for the evolution of a state. It's essential that those institutions are developed so that the people of Palestine get helped. That's essential.

And I do believe we're making progress to this end. It is a—this is an issue much bigger than a single person. Mr. Arafat would like the whole issue to be about him. That's the way it's been in the past. Except when you analyze his record, he has failed the Palestinian people. He just has, and that's reality.

Q. [Inaudible]

President Bush. You only get—that's your third, second followup. [Laughter] Unbelievably aggressive today. [Laughter]

President Kwasniewski. Mr. President, now is Polish turn.

President Bush. You're in good standing with your colleagues for that. Break some new ground.

President Kwasniewski. It's a press conference, not interview. [Laughter]

President Bush. Yes.

Q. Polish public radio. Mr. President, this is a question addressed to both Presidents.

President Bush. An old Fournier trick.

Polish-U.S. Relations/War on Terrorism

Q. There are some differences between Europe and the United States. Europe seems to be more eager to deal with economy and political sources of terrorism. United States seems to be more determined to apply military solutions. European Union and the United States differ in some important trade issues. What is the differences present in your today conversation? Poland is going to be a member of the European Union. Might this membership complicate relations in between our two countries?

President Bush. No. That's an easy one. [Laughter] No, it won't. Let me make it clear to you, make sure—if I could kind of change one of your premises. We use military power, no question about it, and we'll continue to do it, to hunt these killers down, one by one. And that's all they are, is killers, coldblooded killers.

We also understand that in order to make it hard for them to attack the United States again, or any of our friends, that we must disrupt their finances. We spend a lot of time on working with our friends to disrupt finances. And so we have a multifaceted approach to the war on terror. It's important for you to understand that. We don't necessarily place one aspect on the war against terror as more important than the other.

In terms of the—listen, we've got great friends in Europe. Poland is a great friend, and the United States fully understands that we must cooperate together to achieve victory in the war against terror. That means intelligence sharing and working cooperatively on finance, making sure our militaries cooperate together. NATO—a

useful role for NATO, the new role for NATO, is going to be to defend Europe against terrorist activity. And therefore, NATO needs to change so that it can do a more effective job of defeating the enemy. Russia is not the enemy. Russia is—you know, the idea of Russian tanks storming across Europe are no longer the problem. And therefore, cooperation on chasing down killers, one by one, even becomes more focused and more important in many ways. And that's the nature of our relationship.

So I welcome Poland going into the EU, if that's what the President and the country think is best.

President Kwasniewski. I wish to say that we have discussed the subject, and it is true to say that in Europe, Poland has been criticized as a state that has extremely been—has been very pro-American. And for that reason—I haven't witnessed any criticism or heard any criticism, for that reason, here in America.

But the issue of whether Europe or America, relations, et cetera, reminds me of a question that is very often addressed by a child: Is Mom or Dad better? From the educational point of view, it's a false question, because under these circumstances that we are now in, we're creating a family based on the same fundamental values or based on similar or very similar objectives, and also based on the historical heritage for Europe and the United States are quite similar and very penetrating.

It seems to me that outside of current politics, or different accents in politics, certainly we could not talk, and we should not talk, about any conflicts of opinions. Poland wants to become a member state of the European Union, and that's how we see our political and economic opportunity. And we hope it's going to be true the first of January 2004. And I want to assure that Poland, as a member state of the European Union, will be doing all it can and will be able to do for the cooperation between

the United States and Poland and Europe to be even better.

I would like to refer to what President George Walker Bush said in Warsaw last year in June. "We have to be building a spirit of Europe," he said, "whole and free," a whole and free Europe. And I believe that this is a good reply to this question, a good answer on how we should work together and how a Europe that is going to be in its whole entirety based on the same values to be the traditional and very close ally and partner for the United States.

I am convinced that Poland's membership in the European Union will not only be a problem in relations between Poland and the United States, but because we are going to get new incentives for development, this type of cooperation between Poland and the United States will be greatly welcomed also by the United States.

Financing Homeland Security

Q. Thank you, Mr. President. The strategy that you announced yesterday indicated that we're already spending about \$100 billion on homeland security. What have you determined about the costs going forward? How much is it going to cost us, and how much of that total do you see coming from State and local governments, on the one hand, and from the private sector, on the other?

President Bush. It's going to be hard to quantify how much the private sector spends. Let's just say they need to spend enough to work in a cooperative way, and many private sector companies realize it's in their interests to do so.

The key thing about the national strategy is that we have the ability to have a Department of Homeland Security that's able to effect a national strategy by setting priority. And the priority is to protect our homeland.

Mr. President, we've got agencies who've got many different functions, and we want the primary function of agencies that have anything to do with homeland security to

be protecting America, because we still feel like we're under attack.

The key cost issue is the cost of transition toward this new Department of Homeland Security. And we're confident that if we're given the management tools necessary, we can effect that in a cost-effective way, that transition in a cost-effective way. That's why I spent some time talking to Members of Congress yesterday about giving us some management flexibility, flexibility in personnel decisions, flexibility in reorganization decisions. I think that's going to be an important part of making sure that the cost of transition is a realistic cost. As a matter of fact, we think we can save money as a result of overlap.

In terms of how much it costs down the road, that's going to depend upon how effective we are at defeating the enemy. The best homeland security is to hunt the enemy down one by one and bring them to justice. That's the best way to secure the homeland, and the more effective we are at that, the more cost effective it will be at home. And so the budget we submitted is one we think is important for this year, and we'll reassess on an annual basis.

Q. As you know, Mr. President, the State and local governments are saying they're at the end of their rope financially, at the moment, because of the economic downturn. Do you see a substantial burden on them—

President Bush. Well, we'll just have to work—help them work through their budgets. But remember, the—we'll just have to see. They're concerned about budgets in a lot of areas, Medicaid, different areas. And the—I believe this economy is going to come back, and I think it's going to help improve their financial picture when it does.

Poland's Role in Europe/Russia-U.S. Relations

Q. TVN Polish Network. A question for both of you. Would you please expand on

the subject of the specific role that Poland is going to play in Central and Eastern Central Europe, especially within the context of new enhanced relations between the United States and Russia? What is Poland going to do?

President Bush. Well, that's a very good question. First of all, the President talked about the Riga initiative that he described. It's a—and it's something that caught our imagination and caught our attention. We thought it was a very interesting set of ideas, and we want to explore that with him further, which would really put Poland in a unique role of fostering continued relations with countries which may or may not be admitted into NATO, for example.

In terms of the Russia-U.S. relationship, it's a strong relationship. But the—and it's a relationship which is important because it helps Russia think Westward. And Poland can be a part of that, of course. The President has had great visits with President Putin, and he's talked about the benefits of thinking West.

And the other important part, the most immediate effect, is when Russia looks West, she sees Poland and realizes there is no threat from Poland. Poland is a peaceful neighbor. Poland's at peace with all its neighbors. And that is a very important contribution to the stability of our relationship.

If we were—as I was very aggressive about, in talking about NATO expansion, if Russia thought that the neighborhood was unsettled, it might create some issues. But Poland has provided a great source of stability in the neighborhood, and therefore Russia feels less threatened. And I think that's an important nuance, as we say, in foreign policy. I think that's the word, isn't it? "Nuance"? Yes. [*Laughter*]

Anyway, but it's been a vital contribution, Mr. President, and I thank you for that.

Making sure you're awake.

President Kwasniewski. Thank you. First, I also wish to say that some journalists in

Poland have been writing that good relations between the United States of America and Russia mean that the role of such states as Poland, or such states that joined NATO from Central Europe, has been decreasing or on a decline. I think that this is not a very wise thesis or assumption.

But let me emphasize that especially the states of Central and Eastern Europe and Russia want Russia to become a fully democratic state, a state exercising a very peaceful attitude to all other nations. So good American-Russian relations are a guarantee for us, and President George Walker Bush has just mentioned that, that there is no threat from the Russian Federation and there will be no threat from the Russian Federation.

I want to be in the shade of Russia and not afraid, as opposed to being a country that is right upfront and is afraid of Russia. I think it's the very vital interest of Poland and other states for Russia-the United States relations to be very good. And we are very happy with the Russia-NATO partnership. This is a new quality of ensuring security in the world and especially in our region.

Now, secondly, we are extremely happy that the American position is very, very pro-enlargement of NATO. I think politically this is a very significant decision that will result in the further development, broadening of the security zone in Europe. We are also very happy that there is a support for the Riga initiative, because it means that countries which are not going to become members of NATO will also—could be also—can be also benefiting from the outcome and from the results of this success, so they—we can also be supporting democracies, emerging democracies in Bosnia-Herzegovina and Croatia, in Macedonia, et cetera and et cetera, something that has been the world's problem. And I think the Balkan states are going to be an area of development, economic development and development of security.

I also want to assure you, and President Bush knows about it, that Poland has been functioning as an exporter of stability. We have been a unique state because, in the last 10 years, Poland has not changed its border by a single inch, and all our neighbors have changed. None of our neighbors have been neighbors of Poland 10 years ago, neither the east—Eastern Germany or the German Democratic Republic, neither the Soviet Union nor any other country. So this is a piece of evidence that you can export stability. You can be a pretty important factor contributing to security in Europe, but also in the Euro-Atlantic dimension.

And finally, I'd like to say that we talked about the cooperation with the Ukraine. Let me use this opportunity to say that Ukraine should play an even more important role in Europe and in the region, and I am convinced that we should be supporting and favoring all efforts aimed at furthering development and cooperation with Ukraine and cooperation with the United States. And I am convinced that, strategically looking at the future, we should not be in the position not to see the 50-million state located right in the heart of the European Continent.

So, speaking in brief words, we have made a review of politics in the area, and perspectives are good. But I think they should be utilized in the best possible ways. And in that sense, the Polish-American cooperation is very, very important.

Thank you very much.

NOTE: The President's news conference began at 12:03 p.m. in the East Room at the White House. President Kwasniewski spoke in Polish, and his remarks were translated by an interpreter. In his remarks, President Bush referred to William R. McLucas, former Director, Division of Enforcement, Securities and Exchange Commission; Chairman Yasser Arafat of the Palestinian Authority; and President Vladimir Putin of Russia. President Kwasniewski referred to Minister

of National Defense Jerzy Szmajdzinski of Poland.

Joint Statement by President George W. Bush and President Aleksander Kwasniewski
July 17, 2002

We reaffirm the deep friendship and vibrant alliance between the United States and Poland. We are committed to freedom and democratic values, which form the basis of a Europe whole, free, and at peace. As we begin the 21st Century, all of Europe's peoples, for the first time in history, have an opportunity to live in democracies, at peace with themselves and their neighbors. The United States pays tribute to the people of Poland, who contributed so much to bringing an end to Europe's Cold War division and who led the way to the undivided Europe now taking shape. Today, Poland and the United States are determined to complete our task: to build the Transatlantic House of Freedom, open to all of Europe's peoples and prepared to meet the global challenges of the 21st Century. Both sides stress the paramount importance of strong and vigilant Transatlantic links for a successful response to the new challenges that we face.

We will meet the new challenges together. We must act decisively to win the war against global terror. Polish forces serve alongside United States forces in Operation Enduring Freedom. In November 2001, President Kwasniewski invited leaders from Central, Eastern, and Southern Europe to identify concrete steps to defeat terrorism. The United States appreciates this initiative and welcomes follow-up meetings. Poland and the United States believe that these efforts can contribute significantly to controlling borders, cutting off terrorist financing, stemming the smuggling of individuals and equipment for terrorist purposes, and preventing bioterrorism.

In the face of terrorism and other new threats, NATO's traditional commitment to collective defense must also be carried out in new ways. We are determined to lead NATO's adaptation to meet the new threats we face. NATO must develop improved capabilities and be able to respond, rapidly and flexibly, to threats from wherever they arise. We are determined to provide the resources needed to achieve strengthened capabilities and want to work jointly with other Allies to this end. As NATO adapts, the United States and Poland are transforming their militaries to make them as efficient, mobile, and well-equipped as possible. The United States and Poland have agreed to expand cooperation between our armed services both to deepen our military-to-military relations, and in particular to promote needed transformation in our defense. We hope this enhanced cooperation can be a model for activities with other Allies.

We look forward to welcoming new members to the NATO Alliance. The enlargement of NATO has already extended security on the European continent and will continue. At its Prague Summit, NATO will extend invitations to those European democracies ready to share in the responsibilities of NATO membership, and the United States and Poland have agreed on the desirability of a broad round of enlargement. The states aspiring to join NATO have worked hard to institute reforms, solidify the rule of law, and leave no doubt about the strength of their democratic institutions.